

ORDINANCE/RESOLUTION REQUEST

Date of Request: 2/8/2021

Please mark one: Bill Request or Resolution Request

1. Type of Request:

- Contract/Grant Agreement Intergovernmental Agreement (IGA) Rezoning/Text Amendment
 Dedication/Vacation Appropriation/Supplemental DRMC Change
 Other:

2. Title: Start with an active verb, i.e., **approves, amends, dedicates**, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, or supplemental request.

Approves \$1,440,000 performance loan agreement for Brothers Redevelopment, Inc. to construct a 72-unit supportive housing project called Valor on the Fax at 7900 East Colfax to serve the chronically homeless.

3. Requesting Agency: Department of Housing Stability

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Megan Yonke	Name: Megan Yonke
Email: megan.yonke@denvergov.org	Email: megan.yonke@denvergov.org

5. General a text description or background of the proposed request, if not included as an executive summary.

See Executive Summary

6. City Attorney assigned to this request (if applicable):

Eliot Schaefer

7. City Council District: 5

****For all contracts, fill out and submit accompanying Key Contract Terms worksheet****

Key Contract Terms

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: RR21 0163

Date Entered: _____

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property): Loan Agreement

Vendor/Contractor Name: Brothers Redevelopment, Inc.

Contract control number: HOST-202157469

Location: 7900 East Colfax, Denver, CO 80220

Is this a new contract? Yes No Is this an Amendment? Yes No If yes, how many? _____

Contract Term/Duration (for amended contracts, include existing term dates and amended dates):

4/1/2021 – 3/31/2120

Contract Amount (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount (A)</i>	<i>Additional Funds (B)</i>	<i>Total Contract Amount (A+B)</i>
\$1,440,000	\$0	\$1,440,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
4/1/2021 – 3/31/2120		3/31/2120

Scope of work:

See Executive Summary.

Was this contractor selected by competitive process? Yes If not, why not?

Has this contractor provided these services to the City before? Yes No

Source of funds: HOME

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A

WBE/MBE/DBE commitments (construction, design, DEN concession contracts): N/A

Who are the subcontractors to this contract? N/A

EXECUTIVE SUMMARY

7900 East Colfax is a City-owned parcel in the East Colfax neighborhood, located on a high frequency bus route and within a quarter mile of a future Bus Rapid Transit (BRT) station. HOST (formerly OED) issued a solicitation to identify a development partner for a supportive housing development. The Brothers Redevelopment Inc. (BRI) and Brain Injury Alliance of Colorado (BIAC) team was selected as the most qualified partnership to deliver housing and services at this site. This project is non-D3. The City's purchase and sale agreement (PSA) was executed in January 2020 to provide for 99 years of affordability on the site. The PSA is currently being amended to clarify the City's LURA and to replace the non-workable reverter clause with a senior position for the LURA. The City's financial contribution to this project will be three-fold. First, the land (purchased by the City for \$650,000) will be sold for \$10

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: RR21 0163

Date Entered: _____

to BRI. Second, the City will provide a performance loan, with 0% interest and no payments, to BRI for \$1,440,000, funded by HOME, secured by a collateral assignment by Brothers to the City of the deed of trust on the land. The City will also have a HOME covenant restricting occupancy in all units to households at or below 30% AMI for the HOME units in addition to its LURA for 20 years. Third, the City will enter into a 15-year supportive services contract for \$1,000,000, funded by Affordable Housing Fund (Property Tax and Other Local Revenue Fund), which will be cross-defaulted by the collateral assignment on the housing development loan. There will be 72 units on the property, all restricted at 30% of AMI, and 100% with vouchers - a mix of DHA and CDOH, with 8 HOME units.

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: RR21 0163

Date Entered: _____